

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)
FILING OF MADISON COUNTY) CASE NO. 2011-00165
UTILITIES DISTRICT)

ORDER

On June 9, 2011, Madison County Utilities District ("Madison County") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. Madison County purchases water from Richmond Utilities ("Richmond").
2. Richmond notified Madison County that, effective July 1, 2011, its volumetric wholesale rate to Madison County will increase from \$2.14 per 100 cubic feet to \$2.17 per 100 cubic feet.
3. Madison County proposes a purchased water adjustment factor of \$0.03 per 100 cubic feet.
4. During the 12 months ending April 30, 2011, Madison County purchased 88,647,400 cubic feet of water from Richmond and it sold 78,838,824 cubic feet. The increase in the cost of purchased water is \$26,594.22, resulting in a purchased water adjustment factor of \$0.03 per 100 cubic feet.

¹ KRS 278.015; 807 KAR 5:068.

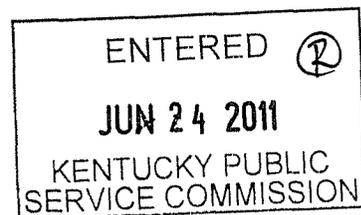
5. Madison County incorrectly applied the purchased water adjustment of \$0.03 per 100 cubic feet to its current rates. The rates proposed by Madison County should be denied.

6. The purchased water adjustment factor of \$0.03 per 100 cubic feet is fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. Madison County's proposed rates are denied.
2. The purchased water adjustment factor of \$0.03 per 100 cubic feet as calculated in Appendix A is approved.
3. The rates in Appendix B are approved for services rendered on or after July 1, 2011.
4. Within 20 days of the date of this Order, Madison County shall file new tariff sheets showing the rates approved herein.

By the Commission



ATTEST



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2011-00165 DATED **JUN 24 2011**

	New Rate	Base Rate
Madison County Water		
Purchases in cubic feet	88,647,400	88,647,400
Volumetric rate	<u>\$ 2.17 /100</u>	<u>\$ 2.14/100</u>
	\$1,923,648.58	\$1,897,054.36
		Increased water cost \$26,594.22
Increased water cost		\$ 26,594.22
Divided by cubic feet sold		<u>78,838,824</u>
Purchased water adjustment factor		\$0.03 per 100 cubic feet

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2011-00165 DATED JUN 24 2011

The following rates and charges are prescribed for the customers in the area served by Madison County Utilities District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

First	280 Cubic Feet	\$15.25	Minimum Bill
Next	720 Cubic Feet	4.78	per 100 Cubic Feet
Next	3,000 Cubic Feet	4.56	per 100 Cubic Feet
Next	8,000 Cubic Feet	4.37	per 100 Cubic Feet
Next	88,000 Cubic Feet	4.18	per 100 Cubic Feet
Over	100,000 Cubic Feet	3.87	per 100 Cubic Feet

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